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## Agenda Item 3c

December 13, 2011

### **TO: MEMBERS OF THE PERFORMANCE AND COMPENSATION COMMITTEE**

- I. SUBJECT:** 2011-2012 Performance Plans for Recently Appointed Investment Managers (First Reading)
- II. PROGRAM:** Administration
- III. RECOMMENDATION:** Approve the First Reading of the 2011-2012 Performance Plans for Recently Appointed Investment Managers

#### **IV. ANALYSIS:**

The Board of Administration's Compensation Policies and Procedures include a schedule for approving performance plans and reviewing quarterly status reports. Performance plans for newly-appointed investment management staff will be presented on a flow basis, as soon as is practical after each position is filled.

This item presents, for first reading, the performance plans of five (5) recently appointed Senior Portfolio Managers, and two (2) Portfolio Managers.

The duty statements are attached for information. In accordance with the program policies and procedures, the quantitative measures in these performance plans have been reviewed for clarity by the investment consultant.

#### **V. RISKS:**

The risk associated with not approving the performance plans for recently-appointed investment managers is that these compensation program participants would not have performance plans established to reflect their priorities and performance expectations for the current fiscal year.

#### **VI. STRATEGIC PLAN:**

Under Goal III of the Strategic Plan, CalPERS is committed to sustaining a high performance work culture. This can be accomplished at the highest executive levels through the establishment of methods that provide broad flexibility in the recruitment, retention and compensation of key personnel.

## **VII. RESULTS/COSTS:**

The establishment of performance plan measures is critical to the management of a competitive compensation program for executives at the highest levels of the organization. This, in turn, is critical to the success of the organization. The cost of performance awards that might arise from the recommendations in this item will be funded from existing resources.

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KATRINA S. HAGEN  
Chief  
Human Resources

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STEPHEN W. KESSLER  
Deputy Executive Officer  
Operations and Technology

Attachments

### **FY 2011-12 Performance Plans**

The FY 2011-12 duty statements and performance plans for recently-appointed Investment Managers are presented in the following order:

<b>Position</b>	<b>Incumbent</b>
Sr. Portfolio Manager, Global Fixed Income / Domestic Research	Lou Zahorak
Sr. Portfolio Manager, Investment Compliance & Operational Risk	Carol Moody
Sr. Portfolio Manager, Investment Servicing	Matt Flynn
Sr. Portfolio Manager, Real Assets	Christine Gogan
Sr. Portfolio Manager, Real Assets	Jim Hurley
Portfolio Manager, Global Fixed Income / Commodities	Andrew Karsh
Portfolio Manager, Investment Compliance & Operational Risk	Brian McQuade